

HOUSE BILL 1144

Q1
HB 940/14 – W&M

5lr2651

By: **Delegate Buckel**

Introduced and read first time: February 20, 2015

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Sales – Reimbursement for Expenses**

3 FOR the purpose of requiring a certain notice sent by the holder of a tax sale certificate to
4 the owner of the property to include certain information; clarifying that certain costs
5 incurred by the holder of a tax sale certificate shall be reimbursed on redemption of
6 the property; providing that the holder of a tax sale certificate shall be reimbursed a
7 certain amount for attorney's fees if an action to foreclose the right of redemption
8 has not been filed and establishing that amount as reasonable; altering the amount
9 of attorney's fees that the holder of a tax sale certificate shall be reimbursed if an
10 action to foreclose the right of redemption has been filed; providing that the holder
11 of a tax sale certificate shall be reimbursed for certain fees incurred for obtaining
12 certain judgment reports; and generally relating to tax sales of property.

13 BY repealing and reenacting, with amendments,
14 Article – Tax – Property
15 Section 14–833(a–1)(3)(v) and 14–843(a)
16 Annotated Code of Maryland
17 (2012 Replacement Volume and 2014 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – Tax – Property
20 Section 14–833(a–1)(3)(vi)
21 Annotated Code of Maryland
22 (2012 Replacement Volume and 2014 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
24 That the Laws of Maryland read as follows:

25 **Article – Tax – Property**

26 14–833.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a-1) (3) The notices required under this subsection shall include at least the
2 following:

3 (v) a statement that if the property is redeemed before an action to
4 foreclose the right of redemption is filed, the amount that shall be paid to redeem the
5 property is:

6 1. the total lien amount on the property at the time of sale,
7 with interest;

8 2. any taxes, interest, and penalties paid by the holder of the
9 certificate of sale;

10 3. any taxes, interest, and penalties accruing after the date
11 of the tax sale; and

12 4. the following expenses incurred by the holder of the
13 certificate of sale:

14 A. costs for recording the certificate of sale;

15 B. a title search fee, not to exceed \$250;

16 C. the postage and certified mailing costs actually incurred
17 for the notices; [and]

18 D. reasonable attorney's fees, not to exceed \$500; **AND**

19 **E. COSTS FOR OBTAINING NECESSARY JUDGMENT**
20 **REPORTS;**

21 (vi) a statement that if the property is redeemed after an action to
22 foreclose the right of redemption has been filed, the amount that shall be paid to redeem
23 the property is the sum of:

24 1. the total lien amount on the property at the time of sale,
25 with interest;

26 2. any taxes, interest, and penalties paid by the holder of the
27 certificate of sale;

28 3. any taxes, interest, and penalties accruing after the date
29 of the tax sale; and

30 4. attorney's fees and expenses to which the holder of the
31 certificate of sale may be entitled under § 14-843(a)(4) and (5) of this subtitle;

1 14-843.

2 (a) (1) Except as provided in subsection (b) of this section, on redemption, the
3 plaintiff or the holder of a certificate of sale [may] **SHALL** be reimbursed for expenses
4 incurred in any action or in preparation for any action to foreclose the right of redemption
5 as provided in this section.

6 (2) The plaintiff or holder of a certificate of sale is not entitled to be
7 reimbursed for any other expenses or attorney's fees that are not included in this section.

8 (3) If an action to foreclose the right of redemption has not been filed, and
9 the property is redeemed more than 4 months after the date of the tax sale, the holder of a
10 certificate of sale [may] **SHALL** be reimbursed for the following expenses actually incurred:

11 (i) costs for recording the certificate of sale;

12 (ii) a title search fee, not to exceed \$250;

13 (iii) the postage and certified mailing costs for the notices required
14 under § 14-833(a-1) of this title; [and]

15 (iv) [reasonable attorney's fees, not to exceed \$500] **ATTORNEY'S**
16 **FEES IN THE AMOUNT OF \$500, WHICH AMOUNT SHALL BE DEEMED REASONABLE**
17 **FOR WORK PERFORMED PRIOR TO FILING AN ACTION TO FORECLOSE THE RIGHT OF**
18 **REDEMPTION; AND**

19 **(V) COSTS FOR OBTAINING NECESSARY JUDGMENT REPORTS.**

20 (4) If an action to foreclose the right of redemption has been filed, the
21 plaintiff or holder of a certificate of sale[may] **SHALL** be reimbursed for:

22 (i) attorney's fees in the amount of:

23 1. **[\$1,300] \$1,500** if an affidavit of compliance has not been
24 filed, which amount shall be deemed reasonable for both the preparation and filing of the
25 action to foreclose the right of redemption; or

26 2. **[\$1,500] \$1,750** if an affidavit of compliance has been
27 filed, which amount shall be deemed reasonable for both the preparation and filing of the
28 action to foreclose the right of redemption;

29 (ii) reasonable attorney's fees, not to exceed \$1,200, incurred by the
30 plaintiff or holder of a certificate of sale for opening an estate for purposes of service of
31 process and notice on a defendant's estate;

1 (iii) in exceptional circumstances, other reasonable attorney's fees
2 incurred and specifically requested by the plaintiff or holder of a certificate of sale and
3 approved by the court, on a case by case basis; and

4 (iv) if the plaintiff or holder of a certificate of sale provides a signed
5 affidavit attesting to the fact that the expenses were actually incurred, the following
6 expenses actually incurred by the plaintiff or holder of a certificate of sale:

7 1. filing fee charged by the circuit court for the county in
8 which the property is located;

9 2. service of process fee, including fees incurred attempting
10 to serve process;

11 3. a title search fee, not to exceed \$250;

12 4. if a second title search is conducted more than 6 months
13 after the initial title search, a title search update fee, not to exceed \$75;

14 5. publication fee charged by a newspaper of general
15 circulation in the county in which the property is located;

16 6. posting fee;

17 7. postage and certified mail;

18 8. substantial repair order fee, not to exceed the fee charged
19 by the government agency issuing the certificate of substantial repair;

20 9. expenses and costs incurred for opening an estate of a
21 deceased defendant for purposes of service of process and notice, not to exceed \$1,200; [and]

22 10. any court approved expense for stabilization or conversion
23 of the property under § 14-830 of this subtitle or in accordance with an action taken against
24 the property by the county in which the property is located in accordance with the
25 applicable building, fire, health, or safety codes; AND

26 **11. COSTS FOR OBTAINING NECESSARY JUDGMENT**
27 **REPORTS.**

28 (5) In addition to the expenses and attorney's fees under paragraph (3) or
29 (4) of this subsection, the plaintiff or holder of a certificate of sale may be reimbursed for:

30 (i) taxes paid at the tax sale, together with redemption interest,
31 arising after the date of sale to the date of redemption;

32 (ii) the high bid premium paid at the tax sale, if applicable; and

1 (iii) in Baltimore City only, taxes, interest, and penalties paid in
2 accordance with subsection (c) of this section and interest at the rate of redemption
3 provided in § 14–820 of this subtitle from the date of payment to the date of redemption.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2015.